

TERMS AND CONDITIONS OF SALE

CONTROLLING PROVISIONS: No terms and conditions other than the terms and conditions contained herein shall be binding upon Seller unless accepted by it in a writing signed by an authorized representative of Seller. All terms and conditions contained in any prior oral or written communication, including, without limitation, Buyer's purchase order, which are different from or in addition to the terms and conditions herein are hereby rejected and shall not be binding on Seller, whether or not they would materially alter this document, and Seller hereby objects thereto. All prior proposals, negotiations and representations, if any, are merged herein. Buyer will be deemed to have assented to all terms and conditions contained herein if any part of the goods and/or services described herein are shipped or an invoice is presented in connection with the said goods and/or services.

TERMS: Buyer agrees to pay for the products according to the Seller's payment terms. In the event Buyer fails to make any payment to Seller when due, Buyer's entire account(s) with Seller shall become immediately due and payable without notice or demand. All past due amounts are subject to service charges at the rate agreed upon by the parties, otherwise at the maximum contract rate permitted by law. Buyer does hereby grant Seller a purchase money security interest in the products until such time as Seller is fully paid. Buyer will assist Seller in taking the necessary action to perfect and protect Seller's security interest. No products furnished by the Seller shall become a fixture by reason of being attached to real estate.

REMEDIES OF SELLER: Upon default by Buyer, Buyer agrees to reimburse Seller all attorney fees and court costs incurred by Seller in connection therewith. Buyer agrees that any of the following shall constitute an event of default which shall enable Seller, at its option, to cancel any unexecuted portion of this order or to exercise any right or remedy which it may have by law: (a) the failure of Buyer to perform any term or condition contained herein; (b) any failure of Buyer to give required notice; (c) the insolvency of Buyer or its failure to pay debts as they mature, an assignment by Buyer for benefit of its creditors, the appointment of receiver for Buyer or for the materials covered by this order or the filing of any petition to adjudicate Buyer bankrupt; (d) the death, incompetence, dissolution or termination of existence of Buyer; (e) a failure by Buyer to provide adequate assurance of performance within ten (10) days after a justified demand by Seller or (f) if Seller, in good faith, believes that Buyer's prospect of performance under this Agreement is impaired. All rights and remedies of Seller herein are in addition to, and shall not exclude, any rights or remedies that Seller may have by law. In the event it becomes necessary to incur any expense for collection of any overdue account, reasonable collection charges, including reasonable attorneys' fees, will be added to the balance due and Buyer shall pay all such charges.

GOVERNING LAW: This transaction shall be governed in all respects by the laws of the State of New York (excluding choice of law provisions). All actions, regardless of form, arising out of or related to this transaction or the products sold hereunder must be brought against Seller within the applicable statutory period, but in no event more than **ONE (1) YEAR** after the date of invoice.

DELIVERY: Seller will make a good faith effort to complete delivery of the products as indicated by Seller in writing, but Seller assumes no responsibility or liability and will accept no backcharge for loss or damage due to delay or inability to deliver, whether or not such loss or damage was made known to Seller, including, but not limited to, liability for Seller's non-performance caused by acts of God, war, labor difficulties, accidents, inability to obtain materials, delays of carriers, contractors or suppliers or any other causes of any kind whatever beyond the control of Seller. Under no circumstances shall Seller be liable for any special, consequential, incidental, indirect, or liquidated damages, losses, or expense (whether or not based on negligence) arising directly or indirectly from delays or failure to give notice of delay.

STANDARD WARRANTY ON AVIATION PRODUCTS: AVOX Systems warrants all of its Aviation products to be free from defects in workmanship and materials for a period of one (1) year from the date of original manufacture by AVOX Systems. AVOX Systems' obligation under this warranty is limited to replacing or repairing (at AVOX Systems' option) Aviation products shown to be defective in either workmanship or materials.

Only personnel of AVOX Systems or, when directed by AVOX Systems, authorized AVOX Systems agents are authorized to perform warranty obligations. This warranty does not apply to defects or damages caused by repairs of or alterations to Aviation products made by owner or any third party unless expressly permitted by AVOX Systems product manuals or by written authorization from AVOX Systems. To obtain performance under this warranty, and as a condition precedent to any duty of AVOX Systems, the purchaser must notify AVOX Systems to determine whether to return product to AVOX Systems or an authorized agent. Any product returned to AVOX Systems should be sent to "AVOX SYSTEMS (Attn: Warranty Dept.), 225 Erie Street, Lancaster, New York, 14086-9502." Shipping charges must be prepaid by the purchaser. When AVOX Systems repairs or replaces Aviation products under this warranty, full credit for prepaid freight will be provided.

This warranty does not apply to any malfunction of or damage to Aviation products resulting from accident, alteration, misuse, or abuse. Moreover, this warranty does not apply to any elastomer components since these components can be affected adversely by undue exposure to heat, sun, water, ozone, or other deteriorative elements.

THIS WARRANTY IS MADE LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION, AVOX SYSTEMS EXPRESSLY DISCLAIMS ANY LIABILITY FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN ANY WAY CONNECTED WITH THE SALE OR USES OF AVIATION PRODUCTS MANUFACTURED BY AVOX SYSTEMS AND NO OTHER FIRM OR PERSON IS AUTHORIZED TO ASSUME ANY SUCH LIABILITY, ANY IMPLIED WARRANTIES WHICH MAY EXIST, NOTWITHSTANDING THIS DISCLAIMER, ARE LIMITED IN DURATION TO THE ONE (1) YEAR PERIOD OF THIS STANDARD WARRANTY.

RECOMMENDATIONS BY SELLER: Buyer acknowledges that Seller does not make and specifically negates, renounces and disclaims any representations, warranties and/or guaranties of any kind or character, expressed or implied, with respect to (i) the products sold, their use, design, application or operation, their merchantability, their physical condition or their fitness for a particular purpose, (ii) the maintenance or other expenses to be incurred in connection with the products, (iii) the engineering, design, fabrication work or any other work or service (whether gratuitous or for payment) supplied by Seller and/or its agents, suppliers and employees or (iv) the accuracy or reliability of any information, designs or documents furnished to Buyer. Seller neither assumes, nor authorizes any person to assume for it, any other obligation in connection with the sale of its products and/or rendering of its services. Any recommendations made by Seller concerning the use, design, application or operation of the products shall not be construed as representations or warranties, expressed or implied. Failure by Seller to make recommendations or give advice to Buyer shall not impose any liability upon Seller.

EXPORT CONTROL: Buyer acknowledges that some of the products may be subject to U.S. Department of State International Traffic in Arms Regulations (ITAR), U.S. Department of Commerce Export Administration Regulations (EAR) or other trade control regulations. Buyer represents that it will not export (including, without limitation, deemed exports to non-US persons, including employees of the receiving party) or otherwise transmit or use any product or information relating to any product except in full compliance with all applicable laws and regulations.

INDEMNIFICATION: Buyer shall defend, indemnify and hold harmless Seller and its agents and employees against any loss, damage, claim, suit, liability, judgment or expense (including, without limitation, attorney's fees) arising out of or in connection with any injury, disease or death of persons (including, without limitation, Buyer's employees and agents) or damage to or loss of any property or the environment, or violation of any applicable laws or regulations (including, without limitation, Buyer's breach of representation regarding export control compliance, above) resulting from or in connection with the sale, transportation, installation, use, or repair of the products by Buyer or of the information, designs, services or other work supplied to Buyer, whether caused by the concurrent and/or contributory negligence of Buyer, Seller, or any of their agents, employees or suppliers. The obligations, indemnities and covenants contained in this paragraph shall survive the consummation or termination of this transaction.

INSPECTION AND ACCEPTANCE: Claims for damage, shortage or errors in shipping must be reported within one (1) day following delivery to Buyer. Buyer shall have seven (7) days from the date Buyer receives any products to inspect such products and services for defects and nonconformance which are not due to damage, shortage or errors in shipping and notify Seller, in writing, of any defects, nonconformance or rejection of such products. After such seven (7) day period, Buyer shall be deemed to have irrevocably accepted the products, if not previously accepted. After such acceptance, Buyer shall have no right to reject the products for any reason or to revoke acceptance. Buyer hereby agrees that such seven (7) day period is a reasonable amount of time for such inspection and revocation. Buyer shall have no right to order any change or modification to any product or service previously ordered by Buyer or its representatives or cancel any order without Seller's written consent and payment to Seller of all charges, expenses, commissions and reasonable profits owed to or incurred by Seller. Specially fabricated or ordered items may not be canceled or returned, and no refund will be made. The sole and exclusive remedy for merchandise alleged to be defective in workmanship or material will be the replacement of the merchandise subject to the manufacturer's inspection and warranty.

RETURNS: Buyer may return any product which Seller stocks with no restocking charge if: (i) it is in new condition, suitable for resale in its undamaged original packaging and with all its original parts and (ii) it has not been used, installed, modified, rebuilt, reconditioned, repaired, altered or damaged. Buyer's surplus job returns, and those not meeting (i) and (ii), above, will be evaluated on an individual basis after Buyer has contacted Seller's authorized representative for prior written permission. Special orders or non-stock items may be returned if the manufacturer will accept the return. Except for items Seller stocks which meet (i) and (ii), above, credit memoranda issued for authorized returns shall be subject to the following deductions: (a) cost of putting items in salable condition; (b) transportation charges, if not prepaid; and (c) handling and restocking charges.

SHIPMENTS: All products are shipped F.O.B., point of shipment. Risk of loss shall transfer to the Buyer upon tender of goods to Buyer, Buyer's representative, or common carrier. The cost of any special packing or special handling caused by Buyer's requirements or requests shall be added to the amount of the order. If Buyer causes or requests a shipment delay, or if Seller ships or delivers the products erroneously as a result of inaccurate, incomplete or misleading information supplied by Buyer or its agents or employees, storage and all other additional costs and risks shall be borne solely by Buyer. Claims for products damaged or lost in transit should be made by Buyer to the carrier, as Seller's responsibility ceases upon tender of goods to Buyer, Buyer's representative or common carrier.

TAXES: The amount of any sales, excise or other taxes, if any, applicable to the products shall be added to the purchase price and shall be paid by Buyer unless Buyer provides Seller with an exemption certificate acceptable to the taxing authorities. Any taxes which Seller may be required to pay or collect under any existing or future law, upon or with respect to the sale, purchase, delivery, storage, processing, use or consumption of any of the products, including taxes upon or measured by the receipts from the sale thereof, shall be for the account of the Buyer, who shall promptly pay the amount thereof to Seller upon demand.

SEVERABILITY: These terms and conditions of sale shall not be construed against the party preparing them, but shall be construed as if all parties jointly prepared these terms and conditions of sale and any uncertainty or ambiguity shall not be interpreted against any one party. If any provision hereof is held to be illegal, invalid or unenforceable under any present or future laws, such provision shall be fully severable and the terms and conditions herein shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been made a part hereof. The remaining provisions herein shall remain in full force and effect and shall not be affected by such illegal, invalid or unenforceable provisions or by their severance herefrom.

SET-OFF: Buyer shall not be entitled to set-off any amounts due Buyer against any amount due Seller in connection with this transaction.

NON-WAIVER: Seller's failure to insist upon the strict performance of any term or condition herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder, nor of its right to insist upon the strict performance of the same or any other term herein in the future. No waiver of any term or condition hereunder shall be valid unless in writing and signed by Seller's Branch Manager.

ENTIRE AGREEMENT: This document constitutes the entire, complete, and exclusive agreement between the parties with respect to the subject matter hereof and contains all the agreements and conditions of sale; no course of dealing or usage of the trade shall be applicable unless expressly incorporated herein. The terms and conditions contained herein may not be added to, modified, superseded or otherwise altered except by a written modification signed by an authorized representative of Seller. All transactions shall be governed solely by the terms and conditions contained herein.